



## House Bill 1328

### *Counties and Municipalities – Water Transfer Fee – Authorization*

MACo Position: **SUPPORT**  
**WITH AMENDMENTS**

To: Environment and Transportation  
Committee

Date: March 8, 2022

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS HB 1328 WITH AMENDMENTS**. This bill authorizes counties to levy fees against nongovernmental entities who transfer water outside of a watershed located within a county. Counties seek assurances that the bill would not create government-on-government charges – whether through amendment or procedural clarifications.

Preserving Maryland’s water resources is critical for a healthy environment and a thriving economy. For decades, counties have been at the forefront of environmental conservation, and HB 1328 would strengthen those efforts. By establishing a water transfer fee, counties will have access to a new revenue stream that can help further finance local conservation priorities. Any such decision would be at a local option, and subject to appropriate local scrutiny.

MACo originally had concerns on whether this legislation would newly enable fees on intergovernmental water transfers. Subsequent input from the Department of Legislative Services (DLS) suggests that an amendment is not required, as the definition “person” in the amended article does not explicitly include a government entity, and that a relevant revisor’s note states, *“The definition of ‘person’ in this subsection does not include a governmental entity or unit.”*

If the Committee and staff agree with this conclusion, MACo would respectfully request that these exchanges become part of the bill file, to help avoid any unwarranted future interpretation.

This bill will give counties an additional tool to finance environmental conservation at the local level. MACo had questions regarding intergovernmental transfers, but the opinion from DLS has effectively satisfied those concerns. Accordingly, MACo requests a **FAVORABLE** report on HB 1328 **with AMENDMENTS**, or alternatively a clear documentation in the bill file of the appropriate references in the bill.